The Independence Project

Credit-Building Through Micro-Lending

Turning pocket change into social change

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**The Basics:** Credit-Building through Micro-lending

- $100 No Interest, No Fee, Micro-loans
- Paid back $10 every month for 10 months
- Every payment will be reported to the 3 credit bureaus by NNEDV

**Eligibility**

- NNEDV Member Coalition local programs
- Applicants have met with DV advocate at least 3 times prior to application
  - DV advocate must complete a short questionnaire before the loan can be approved
  » Advocate is NOT a co-signer
Independence Project Facts

• Not an emergency fund
• 692 average final score
• 20+ point average credit score increase
• Unscored borrowers have gone from ‘credit invisible’ to an average 600 score.
• Expressed interest for additional credit-building loans/tools beyond the 1st loan
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Credit Score Ratings Chart:

Credit Building is a Process:
Borrowers can re-apply for the program, until their credit score reaches a ‘B’ rating of 700+

Didn’t complete the loan repayments?
Borrowers that do not complete the loan successfully, are able to re-apply after 6 months

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Compassionate Lending

• If a borrower can’t make a payment, is expected to reach out to NNEDV prior to the due date to work out a new payment plan.

• If borrower can’t make a payment a 2nd time, the loan will be closed and paid off by the guarantor-fund

Important Note!

• Reporting “paid by guarantor” to credit bureaus can have an impact on credit score, but will not be liable for loan balance
Components:
- General Questions
- Income/Expense Budget
- Payment/Repayment Method
- Advocate Relationship

Borrower (and Advocate) must complete to be considered.
- Contact NNEDV if you have questions.
- Paper form is available upon request.
To learn more go to our webpage here.
Payment/Repayment Options:

• *Check or money order* (to be mailed in at least 10 days before due date to ensure on-time payment).

• *Automatic Withdrawal* from checking account* or participating prepaid card.

**Note!** You can change your payment type at anytime by reaching out to the Independence Project team.

*Automatic Withdrawal have some exceptions listed on the application.*
Advocate Role

The Independence Project is a tool for a larger credit building plan

Borrowers have the greatest success when:

- can help navigate the basics of credit
- can assist in reinforcing the goal of the Independence Project
Application Timeline

Notification of loan Approval → Loan disbursement happens the week after approval → A soft inquiry on credit score will also happen that week → Loan repayment begins the 16th of the next month → Once loan is Completed, we will do one final soft credit score inquiry
Helpful Reminders

• The borrower is responsible for communicating any change in contact, banking, and repayment updates by emailing ej@nnedv.org

• If a borrower is no longer able to continue their loan, we cover the remainder of the loan and close it.
FAQ’s

• Does the Applicant need to have a social security number?

  *No. To build credit we will use other identifying information i.e. address, DOB, etc.*

• Pre-prepare with the release forms

  *You will be requested to confirm your relationship with the applicant. If you have a consent to release requirement at your program, start that process at the same time.*
FAQ’s

• Can advocates apply?
  We are able to lend to survivors regardless of where they are employed.

• Does the applicant have to be employed?
  No, the applicant just has to show there is enough income to pay the $10 re-payment.

If you are a SA/DV dual program, the Independence Project is open to all your clients.
• Due to high volumes of applications, we will not follow up with applicants whose application is incomplete.
  – Drafts not completed after 30 days will be deleted

• Please contact us about specific applicants if you haven’t received an Advocate Confirmation email within 2 weeks.

• If mailing a check or money order, this is the address:

  Independence Project c/o NNEDV
  1325 Massachusetts Avenue NW Fl 7
  Washington, DC 20005

We are happy to do this presentation for any coalition or local program
Questions? Contact Us!
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